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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
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09/629,749 07/31/00 MAPLES

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EXAMINER

TM02/0424

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TRAN, T

ART UNIT

PAPER NUMBER

2161

DATE MAILED:

04/24/01

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

# Office Action Summary

Application No.  
09/629,749

Applicant(s)  
Durham R. Maples

Examiner  
Tongoc Tran

Group Art Unit  
2161



☒ Responsive to communication(s) filed on Feb 1, 2001

☐ This action is **FINAL**.

☐ Since this application is in condition for allowance except for formal matters, **prosecution as to the merits is closed** in accordance with the practice under *Ex parte Quayle*, 35 C.D. 11; 453 O.G. 213.

A shortened statutory period for response to this action is set to expire 3 month(s), or thirty days, whichever is longer, from the mailing date of this communication. Failure to respond within the period for response will cause the application to become abandoned. (35 U.S.C. § 133). Extensions of time may be obtained under the provisions of 37 CFR 1.136(a).

## Disposition of Claim

☒ Claim(s) 11-16 is/are pending in the application

Of the above, claim(s) \_\_\_\_\_ is/are withdrawn from consideration

☐ Claim(s) \_\_\_\_\_ is/are allowed.

☒ Claim(s) 11-16 is/are rejected.

☐ Claim(s) \_\_\_\_\_ is/are objected to.

☐ Claims \_\_\_\_\_ are subject to restriction or election requirement.

## Application Papers

☐ See the attached Notice of Draftsperson's Patent Drawing Review, PTO-948.

☐ The drawing(s) filed on \_\_\_\_\_ is/are objected to by the Examiner.

☐ The proposed drawing correction, filed on \_\_\_\_\_ is ☐ approved ☐ disapproved.

☐ The specification is objected to by the Examiner.

☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. § 119

☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).

☐ All ☐ Some\* ☒ None of the CERTIFIED copies of the priority documents have been

☐ received.

☐ received in Application No. (Series Code/Serial Number) \_\_\_\_\_

☐ received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

\*Certified copies not received: \_\_\_\_\_

☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

## Attachment(s)

☐ Notice of References Cited, PTO-892

☒ Information Disclosure Statement(s), PTO-1449, Paper No(s). 5

☐ Interview Summary, PTO-413

☐ Notice of Draftsperson's Patent Drawing Review, PTO-948

☐ Notice of Informal Patent Application, PTO-152

— SEE OFFICE ACTION ON THE FOLLOWING PAGES —

Application Control Number: 09/629,749  
Art Unit: 2161

### **DETAILED ACTION**

1. This Office Action is in response to Applicant's amendment filed on 2/1/2001. Claims 1, 6-10 are canceled. Claims 11-16 are newly added. Claims 11-16 are presented for examination.

#### ***Specification***

2. An application in which the benefits of an earlier application are desired must contain a specific reference to the prior application(s) in the first sentence of the specification (37 CFR 1.78).

#### ***Information Disclosure Statement***

3. This Information Disclosure Statement filed on 2/1/2001 has been reviewed and considered.

#### ***Claim Rejections - 35 USC § 101***

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claims 11-16 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As per claims 12-16, the claimed invention is directed to a method of enhancing the equity of a business entity by "joining a share or shares of equity of said business entity to a share or

shares of equity of said business entity by issuing or conveying the right of the sum certain in money to be paid on specified date and the right to the interest from said debt instrument of said business entity to said share or shares of equity of said business entity...". The claims recite the method of enhancing the equity of a business entity but without setting forth any steps involved in the process, results in an improper definition of a process, i.e., results in a claim which is not a proper process claim under 35 U.S.C. 101. See for example *Ex parte Dunki*, 153 USPQ 678 (Bd.App. 1967) and *Clinical Products, Ltd. v. Brenner*, 255 F. Supp. 131, 149 USPQ 475 (D.D.C. 1966).

As per claim 11, a debt instrument is considered as non-functional material per under the guideline of computer related invention because a debt instrument joining to a share of stock does not constitutes a statutory process , machine, manufacture or composition of matter.

#### ***Claim Rejections - 35 USC § 112***

6. Claims 11-16 are rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential structural cooperative relationships of elements, such omission amounting to a gap between the necessary structural connections. See MPEP § 2172.01. The omitted structural cooperative relationships are the steps that enables the share of debt instrument to be joined with the share or shares of equity.

#### ***Claim Rejections - 35 USC § 103***

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are

such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 11-16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Applicant's newly submitted prior art (Remarks, page 1 summary of court ruling of Universal Casting Corporation and Commissioner of Internal Revenue, 303 F. 2d 620; 1962 U.S. App.) .

Regarding to claims 11-16, Applicant's newly submitted prior art discloses joining a debt instrument of a business entity joined to a share or shares of equity of said business entity by said business entity conveying the right of the sum certain in money to be paid on a specified date and the right to the interest from said debt instrument of said business entity to said share or shares of equity of said business entity, whereby said debt instrument can not be separate from said share or shares of equity of said business entity to be sold or traded separate from said share or shares of equity of business entity (see Applicant Remarks, page 1, re: Universal Casting Corporation).

Applicant's submitted prior art teaches that Universal Casting Corporation deducted said interest payment but does not teaches said debt instrument can not be owned by said shareholders of said business entity. However, Applicant's submitted prior art teaches the **court ruling** that said notes is **an equity and not debt** is because " 1) The fact that the notes were joined together with the stock allowed the noteholders to participate in management of the corporation was indicative of a shareholder relationship . 2) The stock and notes were held by each holder in the same proportion as each individual stock investment. Proportionate holding of stock and notes was also indicative of a shareholder relationship." (see Applicant remarks, page 1). Furthermore, it is common in business practice that one does not have ownership of something one does not pay for unless it is given as a gift. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the joining of a debt instrument with a

share or shares of an equity taught by Applicant's submitted prior art with the debt instrument not pay or owned by the shareholder result from the teaching result from the court ruling so that interest payment can be deductible.

### ***Response to Arguments***

9. Applicant's arguments with respect to newly added claims have been considered but are moot in view of the new ground(s) of rejection.

### ***Conclusion***

10. Claims 11-16 are rejected.

11. **Any response to this action should be mailed to:**

Commissioner of Patents and Trademarks  
Washington, D.C. 20231

**or faxed to:**

(703) 305-9051, (for formal communications intended for entry)

**Or:**

(703) 305-0040, (for informal or draft communications, please label  
"PROPOSED" or "DRAFT")

Hand-delivered responses should be brought to Crystal Park II, 2021  
Crystal Drive, Arlington, VA., Sixth Floor (Receptionist).

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Tongoc Tran, whose telephone number is (703) 305-8967 and whose e-mail address is Tongoc.Tran@uspto.gov. The examiner can normally be reached on Monday through Friday from 8:30 AM to 5:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell, can be reached at (703) 305-9768. The fax phone number for this Art Unit is (703) 305-0040.

Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 305-3900.

TT

19Apr01



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